

THE STATE OF AGING

Final Report Summary

Background

Between now and the year 2025, Montana will experience one of the most dramatic demographic transformations in its history. With the aging of the baby boomers and increased longevity, we will become a significantly older community. By 2025, Montana's 65 and older population is projected to constitute 20% of Montana's total population. The 85 and older age group is expected to increase statewide 97.5% over 1997 census figures. By 2025, the population in all but 7 of Montana's counties will include between 18 to 40% senior citizens.

What is "The State of Aging in Montana"?

"The State of Aging in Montana" is a report developed by the Montana Department of Public Health and Human Services, Senior and Long Term Care division. The report examines the challenges and opportunities Montana faces, frames at least some of the issues we will need to address, and outlines activities that are already underway to help prepare for the future. This aging report is the first of its kind for Montana and focuses primarily on implications for state government. The division plans to produce additional reports in anticipation of the coming aging boom.

About the Report

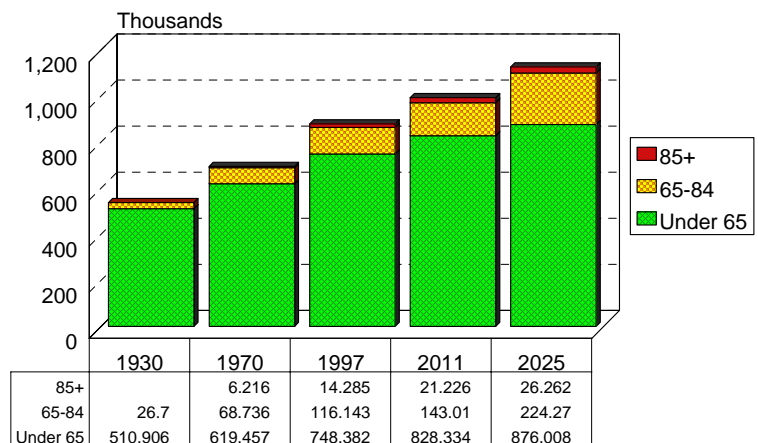
The final 47 page report is the result of over six months of research and interviews with twenty-one divisions of state government, including: Department of Transportation, three divisions of the Department of Justice, Department of Agriculture, Department of Labor and Industry, Commissioner of Higher Education, two divisions of the Department of Commerce, State Auditor, Department of Corrections, Department of Revenue, Department of Administration, Department of Military Affairs, and six divisions of the Department of Public Health and Human Services. The report examines the demographic history of Montana's Aging population, our current demographic makeup, and the demographic transformation that is projected for the future. The report also examines the implications for state government, the issues that are expected to develop as our population ages, and what state government is doing to prepare for this demographic transformation.

Demographic Realities

- Since 1970, Montana has experienced a 69%

Projected Growth In State Population

1930-2025



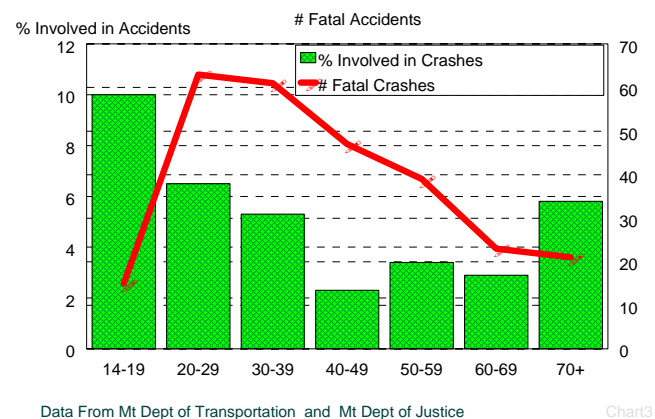
Projections from U.S. Census Bureau

graph1

increase in its aging population. In 1997, Montanans aged 65 and older comprised over 13% (116,143) of Montana's total population. The 14,285 Montanans aged 85 and older accounted for approximately 12% of Montana's elderly population.

- The 1998 Census projections indicate that Montana counties with the greatest percentage of senior citizens includes Prairie and Sheridan Counties at 24%, Daniels and Liberty Counties at 23%, and Wheatland and Powder River Counties at 20%.
- By 2025, Montana's projected population will be 1, 126, 540 people. The state's aging population is projected to total 224,270, or 20% of Montana's total population. Montanans 85+ are expected to reach 26,262, a 97.5% increase over 1997 census figures.
- By 2025, census projections indicate that Montana counties with the greatest percentage of senior citizens will include: Granite County at 40%, Powell County at 39%, Valley County at 32%, Prairie County at 31%, and Deer Lodge County at 30%.

Statewide Automobile Accidents By Age of Driver
% of Drivers Involved in Accidents and # of Fatal Accidents



Implications for State Government

Department of Transportation

➤ Aging baby boomers will impact transportation in Montana

An increase in Montana's aging population is expected to result in more crashes involving aged drivers. Department of Transportation staff are working toward decreasing accidents relating to age. Department crews are making environmental changes to improve the visibility of signs and pavement markings on Montana highways by painting road markings wider and painting signs with high intensity paints. Department officials are also working with law enforcement to help the elderly with traffic infractions in lieu of issuing tickets. They are also providing educational publications for older drivers to promote safe driving. The transit dependent population is expected to increase as the aging population increases. Department of Transportation officials have identified public transportation gaps in the eastern portion of the state, and they are developing ways to increase the availability of transit. Current funding is not adequate to provide the transit services needed in Montana, so the department is utilizing a highway construction funding source to increase the resources needed for transit programs.

Department of Justice

➤ The Department of Justice is taking positive steps to prepare to study the impact of an aging population and to prepare for increasing Medicaid Fraud caseloads

The Crime Control Division currently does not maintain records regarding the percentage of crimes that victimize the elderly. However, staff are in the process of modifying their records management system, so victimization rates and crime patterns may be available for analysis in the future. The Motor Vehicles Division is presently not prepared to study or evaluate the impact that the increase in Montana's aging population will have on the licensing of drivers. But, division staff are studying model programs for aging drivers which are being tested in Maryland and Oregon. Medicaid Fraud investigators are preparing for an increasing caseload by working more closely with Adult Protective Services and coordinating with a number of organizations to protect the elderly from abuse. In addition to educating nursing home residents and the public about fraud and

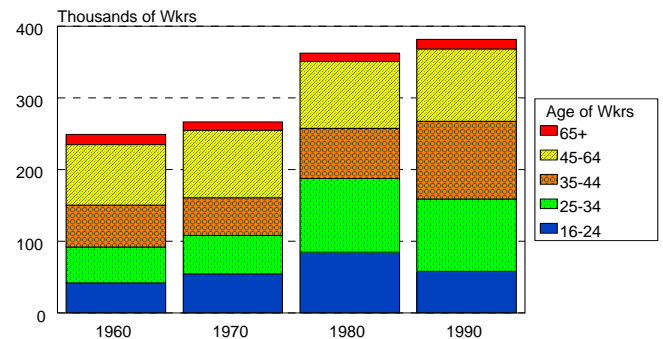
abuse and what action to take if it does occur, the Medicaid Fraud Control Unit has established a fraud and abuse hotline.

Department of Agriculture

➤ Aging of Montana's farmers is not expected to impact the agriculture industry

The average farmer in Montana is between 57 and 58 years old. The average age of farmers is expected to increase. This is not expected to affect Montana's agriculture industry, because the development of new technologies has decreased the physical demands of farming and ranching. The Department of Agriculture is taking steps to attract more young people to farming and ranching. While the number of family farms has declined, the acreage of the remaining farms is increasing. Therefore, the agriculture industry is continuing to produce at the same rate.

Distribution of Montana's Labor Force



Data from U.S. Census Bureau

Graph 7

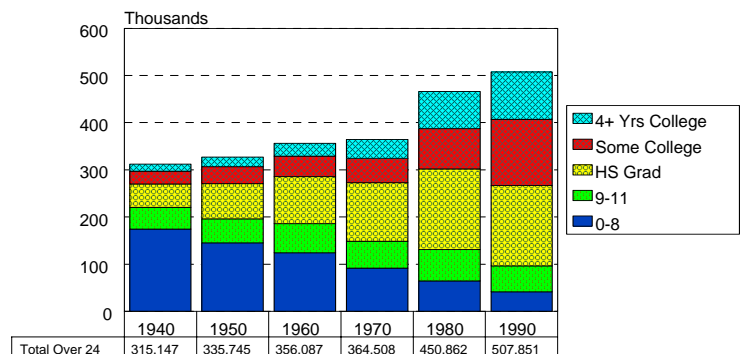
Department of Labor and Industry

➤ Retiring baby boomers will cause significant changes in the labor force

In 1990, nearly 55% of Montana's labor force were baby boomers, (age 25-44). The baby boomers increased the size of the labor force when they reached working age, and they are now raising the average age of the work force. The retiring of baby boomers raises concerns about the extent to which these baby boomers will be financially prepared for old age, the added costs to the Social Security system, and increased pressure on the nation's health care system.

Department of Labor and Industry officials anticipate the aging boom will increase demand for health care occupations such as nurses, nursing aides, orderlies, home health aides, and medical assistants. Although a Department of Labor and Industry official theorizes there will be enough workers world wide to fill jobs left open by retiring baby boomers through the Immigration Reform Act, changing ethnicity, cultures, dialects, management practices, and work ethics will most certainly have an impact on the labor force and society as a whole. The Montana Department of Labor and Industry officials have no plans at this time to address the implications of an aging workforce.

Years of School Completed
For Montanans Over 24



Data from Montana Commissioner of Higher Education

Graph 9

Commissioner of Higher Education

➤ Baby Boomers are expected to increase demand for higher education

Montana's baby boomers have obtained considerably more education than their parents. The Commissioner of Higher Education's office anticipates that baby boomers will seek additional education for recreational or self-improvement purposes as they age, as the more educated an individual is, the more education that individual is likely to pursue. A wider range of educational opportunities may become available for baby boomers returning to school, with the development of new technologies like the education via the internet and financial incentives to entice more students to attend colleges located in rural Montana communities. An increase in the aging population and a decrease in the birth

rate may also result in greater support for funding higher education. The needs of an increasingly older population are expected to increase demand for education which specifically addresses aging issues, such as gerontology, aging services, social work, sociology, nursing, human development, psychology, and health care. Currently, no gerontology degrees are offered by Montana's university system, although MSU in Billings offers a minor in gerontology at the undergraduate level.

Department of Commerce

➤ The aging boom is expected to impact the Consumer Affairs and Housing Divisions of the Department of Commerce

The consumers who are most affected by violations of the consumer protection laws are senior citizens. As the aging population increases, the number of senior citizens who are victimized by consumer fraud is expected to increase. Consumer Affairs staff are fighting fraud by pursuing legislation which will provide additional remedies for violations of the Consumer Protection Act. The office is also working with AARP in developing legislation which addresses telemarketing concerns.

The lack of affordable housing is a problem for many of Montana's senior citizens. The gap between Montana's lower income citizens and access to affordable housing is widening. Although federal guidelines indicate that poverty is rising in Montana and currently exceeds 16%, housing prices continue to rise. The Board of Housing is committed to assisting low income elderly in remaining independent and utilizing the equity in their homes.

State Auditor

➤ The aging of the baby boomers is expected to impact the insurance industry

As baby boomers age, the need for regulating insurance products will increase. In addition, insurance companies need to make policy changes to provide coverage for an increasingly older population. The State Auditor's office is educating seniors about insurance products. Currently, 6% of Montanans have long term care insurance. The average age of a person purchasing long term care insurance is 72, which often makes the insurance difficult to obtain because of preexisting conditions or affordability. The insurance industry is creating incentives for people to purchase long term care insurance through tax policy changes, by reducing gate keeping mechanisms, and by standardizing insurance packages.

Another area of concern for the State Auditor's office is securities and insurance fraud. The Insurance Commission anticipates that as the senior population increases, they are more likely to be targeted as victims of fraud.

An estimated 80% of the cases involving securities and insurance fraud involve seniors who are 65 and older.

Department of Corrections

➤ An aging inmate population is expected to impact correctional facilities

The Department of Corrections considers an inmate elderly at the age of 50. Currently, about 10% of Montana's male inmates and 5% of Montana's female inmates are over age 50. Inmates are generally about 11.5 years older in health status than their chronological age. This is attributable to assaultive behaviors, drug and alcohol abuse, poor health and dental care, and other lifestyle related behaviors. The cost per medical encounter for inmates in Montana over age 50 is more than double that of the younger population. As the elderly inmate population increases, there will be an increase in need for health services and safety improvements in correctional facilities. The cost of incarcerating older inmates is expected to increase significantly as the percentage of older inmates increases. Because of the cost of incarcerating aging inmates

with serious illnesses, a task force is developing policy to keep aging inmates with serious illnesses in the community when safe for the community.

Department of Revenue

➤ Montana's tax system will be impacted by an increase in the aging population

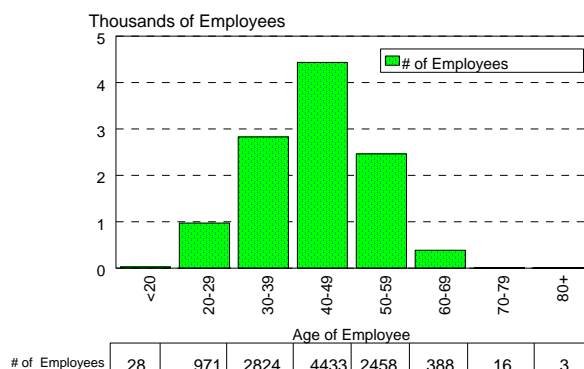
The Montana Department of Revenue is preparing for the aging boom by identifying the needs of tax payers and re-engineering services to address these needs. The department offers tax education, assistance, and advantages for senior citizens. Department officials are improving efficiency, communication, accessibility, and online services. One example of how the department is re-engineering services is the creation of a "one call" center for tax assistance, which is expected to handle 80% of all tax questions. Other examples include the recent development of Telefile and direct deposit options for individual income tax filings and refunds. In addition, the department has launched a comprehensive project called "META" which has been designed specifically to improve customer service. Aging baby boomers also will have easier access to tax and revenue information at the local level.

Department of Administration

➤ Retiring baby boomers employed by the state are expected to impact all areas of state government

Approximately 69% of Montana State employees are of the baby boom generation (born between 1946-1964). As baby boomers retire, resulting vacancies will impact all areas of state government. The department is preparing for an aging and decreasing state workforce by conducting an extensive analysis of current hiring practices and guidelines to begin in 1999. The inquiry will focus on existing employee benefits, competitive salary ranges, and other employment issues. The Department of Administration is dedicated to helping state employees plan their retirement. Several employee benefits programs encourage and assist state employees in planning for their futures. A deferred compensation program provides for supplemental retirement savings. In addition, state employees, their spouses, and parents recently became eligible to purchase long term care insurance.

State Employees By Age



As of 1/98

Graph 11

Department of Military Affairs

➤ Aging veterans need changes in long term care and mental health options

Department of Military Affairs' statistical information indicates that, historically, the number of Montana veterans 65 and older has remained fairly stable at 35% to 36% of the veteran population. Although the number of 65+ veterans has remained stable, increased longevity is expected to result in an increase in the percentage of older veterans. By the year 2010, 42% of the entire veteran population will be 65 years or older. According to a report by the U.S. Department of Veterans Affairs aging veterans need changes in long term care and mental health options. The department recommends the VA expand options and services for home and community based care, making these services the preferred placement site, when clinically appropriate, for veterans needing long term care. According to an official from

The aging of the WWII and Korean Conflict Veterans will cause an aging boom for the veteran population in the year 2000, eleven years before the first baby boomer turns 65.

the Montana Department of Veterans affairs, no new programs are planned at this time to meet the changing needs of Montana's retiring veterans, with the exception of the planned development of the Alzheimer's unit planned for the Columbia Falls facility.

Department of Public Health and Human Services

➤ The aging boom is expected to increase elder abuse, neglect, and exploitation and affect quality of care

Adult Protective Services anticipates that elder abuse, neglect, and exploitation will increase with the aging boom. Adult Protective Services is participating in private/public partnerships to expand protection for vulnerable adults and enhancing service delivery to vulnerable adults. APS is also supporting legislation that provides better protection for the elderly. The Disability Services Division expects a minimal impact on their program due to the increase in the aging population. The aging of Montanans with developmental disabilities is generating change in the services that are available. While vocational rehabilitation services may not be seriously impacted by an increase in the aging population, services for the blind will be impacted. The Quality Assurance Division officials anticipate an increase in the aging population may affect the quality of care that is available to the elderly. Increasing acuity in the elderly may generate change in services provided by Personal Care facilities.

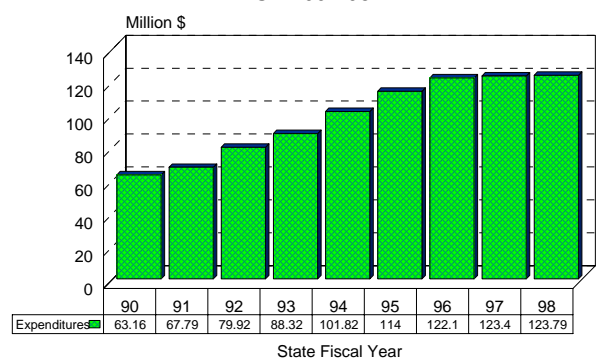
➤ Health services for the elderly are expanding and becoming more efficient

Access to health care for the elderly is improving. The Health Policy and Services Division anticipates that diseases and health care issues affecting the elderly are expected to increase. The division is developing ways to provide more efficient health services for the public. The staff of the Addictive and Mental Disorders Division have recognized the need for expanding supportive mental health services for the elderly; in nursing homes, personal care homes, and through MetNet "Telemedicine" broadcasts. Mental health services for aging citizens are currently under-utilized. There is a need to increase chemical dependency services for the elderly.

➤ Pressures to increase long term care expenditures will make information services an important priority

Senior and Long Term Care Division officials note that an aging population and demand for home and community based services will result in pressure to increase long term care expenditures. Nursing homes are struggling to remain competitive in the health care industry. The health care industry is suffering from a growing shortage of health care workers. And, information is becoming an increasingly important service. The Senior and Long Term Care Division has a number of projects underway to make accurate and reliable aging related information more readily available to Montanans.

Total Medicaid Expenditures For Long Term Care Services
SFY 90 - 98



FY 90 & 91 Home Health data not available. Used FY 92 level.

Conclusion

"The State of Aging in Montana" identifies and discusses the implications that the increase in Montana's aging population will have on our state government and is intended to inspire an ongoing public conversation about how this demographic transformation is likely to affect the way we live and work in Montana. Future reports

call for maintaining the momentum begun throughout the state, completing further specific research on aging issues, and monitoring the progress of the state toward preparing for an older population.

This is a summary of the full report entitled “The State of Aging in Montana”. Copies of the full report are available on a limited basis due to the cost of production. For a copy of the full report, please contact:

DPHHS – Senior and Long Term Care

Aging Services

P.O. Box 4210

Helena, MT 59604-4210

1-800-332-2272

<http://www.dphhs.state.mt.us/sltc>